

NORTH CAROLINA

ASSIGNMENT OF LEASE AGREEMENT

HAYWOOD COUNTY

THIS ASSIGNMENT OF LEASE AGREEMENT ("Assignment"), made and entered into this the ___ day of November, 2015 by and between Haywood Christian Emergency Shelter, a North Carolina not-for profit corporation ("Lessee" or "Assignor"); Haywood Pathways Center, Inc., a North Carolina not-for profit corporation with Section 501 (c) (3) approval under the Internal Revenue Code ("Assignee"); and County of Haywood, a body politic and corporate ("Lessor").

WITNESSETH:

WHEREAS, Lessor has heretofore leased to Assignor as Lessee, certain premises described and referenced in that Lease Agreement dated July 21, 2014, a copy of which is attached hereto as Exhibit A ("Lease) and an Addendum to Lease Agreement dated November 13, 2014 a copy of which is attached hereto as Exhibit B ("Addendum"); and

WHEREAS, Assignee has agreed to accept all responsibilities and benefits under the aforesaid Lease and the other parties hereto have consented to this Assignment agreed that hereafter, Assignee shall be considered the Lessee there under in all respects.

NOW THEREFORE, in consideration of the mutual covenants and benefits herein set forth and for other good and valuable consideration, Assignor does hereby assign all its right title and interest under the aforesaid Lease and Addendum, and Assignee does hereby accept as Lessee all responsibilities and benefits there under the same as if originally named as Lessee in the aforesaid Lease and Addendum.

IN WITNESS WHEREOF, the parties hereto have hereunder executed this Assignment and approved same all with the proper corporate authority of their respective legal organizations, the day and year first above written.

LESSEE / ASSIGNOR:

HAYWOOD CHRISTIAN EMERGENCY SHELTER,
a North Carolina not-for-profit corporation

BY: _____

Name: _____

Title: _____

ASSIGNEE:

HAYWOOD PATHWAYS CENTER, INC.,
a North Carolina not-for-profit corporation

BY: _____
Name: _____
Title: _____

LESSOR'S CONSENT:

The undersigned as Lessor joins in this instrument for the sole purpose of acknowledging and consenting to the above Assignment of Lease Agreement.

HAYWOOD COUNTY, a body politic
and corporate

By: _____
Mark Swanger, Chairman
Haywood County Board of County Commissioners

ATTEST:

Ira Dove, Clerk to the Board (SEAL)

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

SUBLESSEES' CONSENT:

The undersigned Sublessees acknowledge and consent to the above Assignment of Lease Agreement.

**LONG'S CHAPEL UNITED METHODIST
CHURCH, d/b/a THE OPEN DOOR**

By: _____

NEXT STEP MINISTRY, INC.

By: _____

EXHIBIT A

NORTH CAROLINA

HAYWOOD COUNTY

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into this 21 day of July, 2014, by and between the COUNTY OF HAYWOOD, a body politic and corporate, hereinafter referred to as "Lessor" and HAYWOOD CHRISTIAN EMERGENCY SHELTER, a North Carolina not-for-profit corporation, hereinafter referred to as "Lessee", all of Haywood County, North Carolina;

WITNESSETH:

That for and in consideration of the rental set forth herein, and for other good and valuable consideration, Lessor hereby leases to Lessee and Lessee accepts as tenant for itself and for the benefit of its Sub-Lessees, hereinafter named, the following described premises situated in Waynesville Township, Haywood County, North Carolina, and being a portion of that property more particularly described in Deed Book RB 842, Page 1201-1203, including the specific space described ("Leased Premises") as follows:

A. Leased Premises

1. Haywood Christian Emergency Shelter Leased Premises
 - a. No. 4 "Shelter Residence Hall", as shown on the Site Plan entitled "Haywood County Former NCDOT Facility", attached hereto as Exhibit "A"; and
 - b. No. 5 "Women's Shelter Residence" (including Chapel), as shown on the Site Plan entitled "Haywood County Former NCDOT Facility", attached hereto as Exhibit "A"; and
2. Longs Chapel United Methodist Church ("Sub-Lessee") Sub-Leased Premises
 - a. No. 1 "Office & Family Residence", as shown on the Site Plan entitled "Haywood County Former NCDOT Facility", attached hereto as Exhibit "A"; and
 - b. No. 6 "Dining Hall & Kitchen", as shown on the Site Plan entitled "Haywood County Former NCDOT Facility", attached hereto as Exhibit "A"; and
3. Next Step Ministries ("Sub-Lessee") Sub-Leased Premises
 - a. No. 2 "Shelter Residence Hall", as shown on the Site Plan entitled "Haywood County Former NCDOT Facility", attached hereto as Exhibit "A"; and
4. Common Areas for the use and benefit of the Leased and Sub-Leased Premises
 - a. Access to grounds surrounding said structures, including No. 3 "Communal Laundry", as shown on the Site Plan entitled "Haywood

County Former NCDOT Facility", attached hereto as Exhibit "A".

b. Lessor expressly reserves an easement ten (10) feet in width within the common area, location of which shall be determined by Lessor, for the purpose of gaining access to the existing underground water line on the Common Areas of the property for the purpose of maintenance; and for access and use of water.

c. Further Lessor grants to Lessee and Sub-Lessees, the right and privilege of access to waterlines on the adjacent property owned by Lessor, such access to be accomplished at a time suitable to Lessor.

B. Occupancy

The Chapel shall be relocated behind Dormitory 2 within 120 days of the execution of this agreement by the Lessor.

C. Rental

Lessee shall pay to Lessor for rental of the premises described above the sum of \$1.00 per year, payable on the date of execution of this Agreement and thereafter on the 1st day of July each year, and continuing for the Term. Sub-Lessees shall pay to Lessee for the rental of the respective Sub-Leased Premises described above the sum of \$1.00 per year, payable on the date of execution of this Agreement and thereafter on the 1st day of July of each year, and continuing for the Term.

D. Term of Lease

The initial term of this Lease (the "Initial Term") shall begin on the Commencement Date, and shall terminate at 11:59 p.m., local time on July 21, 2034. Upon the expiration of the Initial Term, Lessee shall have the right to renew this Lease for one (1) additional term of twenty (20) years (the "Renewal Term") upon ninety (90) days written notice to Lessor before the expiration of the Initial Term. If Lessee does not give such written notice of its intent to extend the Initial Term, and Lessee holds over after the expiration of the Initial Term, Lessee shall be considered a lessee at will and either party may terminate the lease upon (30) days notice to the other party.

E. Default

The occurrence of any one of the following shall constitute a default by Lessee under this Lease: (a) Lessee shall fail to pay any annual installment of rent when due, and such failure is not cured within ten (10) days after Tenant receives written notice thereof from Lessor; and (b) Lessee shall fail to perform or comply with any of the other covenant or conditions of this Lease, and such failure is not cured within thirty (30) days after Lessee receives written notice thereof from Lessor; provided, however, that if the failure to perform or comply cannot

reasonably be cured within thirty (30) days, Lessee shall not be in default hereunder if Lessee commences to cure the failure to perform or comply within the thirty (30) day period and diligently and in good faith continues to cure the same thereafter and, provided, further, that if Lessee creates more than three (3) defaults during any twelve (12) month period, Lessor may notify Lessee of any subsequent defaults during such period by any reasonable means. Notices given by Lessor to Lessee under this paragraph shall specify the provisions(s) of this Lease with which Lessee is not in compliance, and shall demand that Lessee pay the rent or perform or comply with any other provision of this Lease, as the case may be, within the applicable period of time. If Lessee fails to cure any such default within the cure period provided above, Lessor may then at its option, declare this Lease terminated and canceled and take possession of the Leased Premises without prejudice to any other legal remedy it may have on account of such default.

F. Conditions

1. Lessee shall sublease the Leased Premises described under Section A.2 to Longs Chapel United Methodist Church Inc., d/b/a The Open Door, and the premise described under Section A.3 to Next Step Ministry Inc. according to the identical terms and conditions set forth, wherein Sub-Lessees shall be required to perform in identical manner as Lessee is required to perform under this Lease Agreement, as to each respective Sub-Leased Premises.
2. Except as set forth in Section F.1, Lessee shall not assign or sublet any portion of the Leased Premises without the express written consent of the Lessor.
3. The Lease Premises may be used only for purposes related to the year-round operation of an emergency shelter and provision of services for the homeless and economically disadvantaged. If the Leased Premises or either Sub-Leased Premises ceases to be used for these exclusive purposes for a period of 90 consecutive days, the Lease shall be automatically terminated.
4. Lessee shall maintain the interior and exterior of the said buildings in the same condition as they now exist, subject to ordinary wear and tear. Lessee shall make repairs and remodeling as needed, pursuant to the Site Plan and may make any further changes necessary for the operation of the program upon written notification to the County, and in accordance with all applicable codes of the Town of Waynesville and the State of North Carolina. All renovations shall be coordinated and approved by the

Haywood County Facilities and Maintenance Department. Testing for areas of demolition shall be conducted and all documents will be filed on site. Documents for environmental testing shall be turned over to the owner. OSHA 1926 shall be followed due to the age of building. It is understood that each Sub-Lessee shall perform the approved repairs and remodeling for each respective Sub-Leased Premises.

5. Lessor shall have the right to enter and be granted license to enter the premises at any time and for such length of time as Lessor shall deem necessary to inspect the premises, to make alterations or repairs to the premises or to the buildings as necessary to accommodate the adjacent Emergency Services facility, and for any other purpose which Lessor shall deem necessary. Lessor shall have keys and full access at any time to the Leased Premises and each Sub-Leased Premises.
6. Electrical and water meters shall be installed per the County's requirements and specifications as determined. Haywood County Facilities and Maintenance Department will read said meters each month and establish a charge based on usage by the Lessee and each Sub-Lessee. Natural gas usage will be invoiced based on BTUs usage per each individual heating source.
7. The Lessee shall at all times keep the buildings and premises in good maintenance and repair. It is understood that this responsibility is shared also by each Sub-Lessee, the Lessee shall be ultimately responsible for seeing that all buildings and the Leased Premises are kept in good repair.
8. Lessor shall erect a suitable fence to separate the Leased Premise and Subleased Premise from the adjacent property which is retained by Lessor and not included in the Leased Premises.

G. Indemnification

Lessee agrees to indemnify and defend Lessor and save harmless Lessor, and the tenants, licensees, invitees, agents, servants and employees of Lessor against and from any and all claims by or on behalf of any person, firm or corporation arising by reason of injury to personal property occurring on the Leased Premises or in the buildings occasioned in whole or in part by any act or omission on the part of Lessee or any employee, agent, visitor, assignee or subtenant of Lessee.

H. Insurance

1. In the event the Leased Premises is damaged by fire or other casualty, the Lessor shall have the right to make a determination whether or not the premises have been rendered untenable by Lessee. In the event the premises have been rendered untenable, the Lessor will have the option within sixty (60) days to determine whether or not to repair the premises or to declare the lease terminated.
2. Lessee shall at all times maintain and keep in force at its cost and expense, the following insurance coverage with respect to the Leased Premises:
 - a. Comprehensive commercial general liability insurance insuring against all claims arising out of possession, use, leasing, operation, construction or condition of the Leased Premises, including coverage for contractual liability, injury occurring on stairs, elevators and escalators and, if any construction of new improvements occurs after execution of this Lease, completed operations for two years after completion of such construction, all of such broad form liability insurance to be on an "occurrence basis" against claims for personal injury including bodily injury, death and property damage occurring on, in or about the Leased Premises and the adjoining streets, sidewalks, passageways and appurtenances, and all court costs and attorneys fees, such insurance to afford immediate minimum protection to a combined annual single limit of not less than \$1,000,000 per occurrence.

Premises medical payment coverage at a minimum of \$5,000 limit. All such insurance will cover at least 1) premises and operations; 2) products and completed operations on an "if any" basis; 3) independent contractors; and 4) blanket contractual liability for all written and oral contracts.
 - b. Such insurance on Lessee's leasehold improvements and personal property as Lessee deems appropriate for Lessee's protection and the protection of each Sub-Lessee. The Lessee shall not use or permit upon the Leased Premises anything that will invalidate any policy of hazard or extended coverage now or hereafter carried with respect to the Leased Premises.
 - c. Lessor and Lessee each hereby releases the other from any and all liability or responsibility to the other or anyone claiming through or under then by way of subrogation or otherwise for any loss of damage to property caused by fire or any other perils insured in policies of insurance covering such property, even if such loss or

damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible; provided, however, that this release shall be applicable and in force and effect only to the extent that such release shall be lawful at that time.

- d. The Lessee shall maintain general liability coverage at the amount in 2.a. (above) and list the Lessor as additional insured, and shall name the other party hereto as an additional insured, and shall provide that such policy may not be cancelled without first giving the Lessor not less than thirty (30) days written notice. Each party shall provide the other party with proof of the insurance coverages required herein, upon request.

I. Property Management Committee

The Lessee may appoint members from its staff and/or Board of Directors to a Property Management Committee that will also include equal representation from each Lessee and Sublessee of the property as described above. The purpose of the Property Management Committee will be to meet monthly or on an as-needed basis to consider any issues that may arise related to the common areas designated in Exhibit A, equitable sharing of costs related to utilities, maintenance or other conditions as described in Sections E-G of the Lease and Subleases; and recommend solutions to their respective boards.

J. Notice

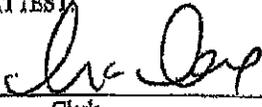
All notices pursuant to this lease shall be made to the following:

If to Lessor: Haywood County Manager
215 N. Main Street
Waynesville, NC 28786

If to Lessee: Haywood Christian Emergency Shelter
c/o Nick Honeramp, President
P.O. Box 1272
Waynesville, NC 28786

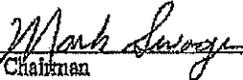
IN WITNESS WHEREOF, the parties have hereunto executed this Lease Agreement as of the day and year first above written.

ATTEST


Clerk

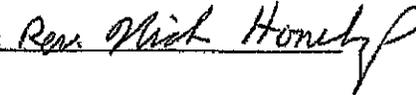
LESSOR:

HAYWOOD COUNTY

By: 
Chairman

LESSEE:

HAYWOOD CHRISTIAN EMERGENCY
SHELTER

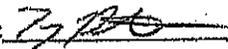
By: 

ACCEPTANCE By Sublessees:

The undersigned sublessees, agree to accept the sub-premises described above, as a Sublessee under Lessee under the identical terms and conditions herein set forth.

SUBLESSEE:

LONG'S CHAPEL UNITED METHODIST
CHURCH, d/b/a THE OPEN DOOR

By: 

SUBLESSEE:

NEXT STEP MINISTRY, INC.

By: 

STATE OF NORTH CAROLINA, COUNTY OF HAYWOOD

I, a Notary Public of said State and County, do hereby certify that IRA DOVE, personally came before me on this day and acknowledged that he is Clerk to the Board of County Commissioners of Haywood County, a body politic and corporate, and that by authority duly given and as the act of the said Board, the foregoing instrument was signed in its name by its Chairman, sealed with its corporate seal and attested by himself as its Clerk.

Witness my hand and Notarial Seal, this the 31 day of July, 2014.

My Commission Expires:
February 13, 2019

Elizabeth C. Way
Notary Public

Elizabeth C. Way
Printed Name of Notary Public



EXHIBIT B

NORTH CAROLINA

ADDENDUM TO LEASE AGREEMENT

HAYWOOD COUNTY

This is an addendum to the lease agreement entered into on July 21, 2014 between the County of Haywood and Haywood Christian Emergency Shelter.

Paragraph A. 2a. shall be amended to include the following language:

"PROVIDED, that while this Leased Premises refers to a Site Plan which describes the premises as "Office & Family Residence", the premises will not actually be used for that purpose and will not be a residence of any type."

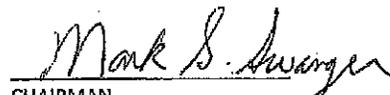
IN WITNESS WHEREOF, the parties have hereunto executed this addendum to the lease agreement as of the 13th day of November, 2014.

ATTEST:


CLERK TO THE BOARD

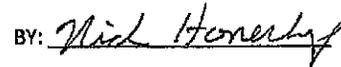
LESSOR:

HAYWOOD COUNTY


CHAIRMAN

LESSEE:

HAYWOOD CHRISTIAN EMERGENCY
SHELTER

BY: 

ACCEPTANCE By Sublessees:

The undersigned sublessees, agree to accept the sub-premises described above, as a Sublessee under Lessee under the identical terms and conditions herein set forth.

SUBLESSEE:
LONG'S CHAPEL UNITED METHODIST
CHURCH, d/b/a THE OPEN DOOR

By: 

SUBLESSEE:
NEXT STEP MINISTRY, INC.

By: 

STATE OF NORTH CAROLINA, COUNTY OF Haywood County

I, a Notary Public of said State and County, do hereby certify that IRA DOVE, personally came before me on this day and acknowledge that he is Clerk to the Board of County Commissioners of Haywood County, a body politic and corporate, and that by authority duly given and as the act of the said Board, the foregoing instrument was signed in its name by its Chairman, sealed with its corporate seal and attested by himself as its Clerk.

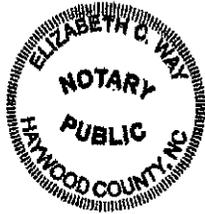
Witness my hand and Notarial Seal, this the 14 day of November 2014.

My Commission Expires:

February 13, 2019

Elizabeth C. Way

Notary Public



Elizabeth C. Way

Printed Name of Notary Public